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# Indonesia

# Biotechnology

# Annual

# 2008

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**Report Highlights:**
Section updated: IV. Capacity Building and Outreach. There is no progress on Biotechnology policy in Indonesia.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Jakarta [ID1]
[ID]

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## I. Executive Summary

Advances in Indonesian approval, use, or regulation of transgenic products are not a priority for the GOI. Indicators include ratification of the Cartagena Protocol in October 2004, with little progress toward promulgation of implementing regulations; approval on the environmental side for planting of Bt cotton, but none for food safety; issuance of food labeling requirements, but no enforcement. The Government issued a regulation for Biosafety of Transgenic Products (No. 21/2005), but implementation is not a priority for the GOI. The committee that will set the guidelines for transgenic products has not been formalized. There is no compelling evidence that this situation will change in the intermediate term.

The U.S. exports of transgenic products to Indonesia in 2007 were valued at total of $800 million. Among these are Bt cotton, herbicide tolerant soybeans and meal, Bt corn, and a variety of food products derived from transgenic crops. With the exception of certain soybean products, i.e., soy flour, no trade constraint based on transgenic origin has been introduced or enforced.

## II. Biotechnology Trade and Production

Indonesia does not produce any crops that involve transgenic processes, but does produce some using tissue culture techniques. These are tree seedlings (eucalyptus, acacia, mangrove) designed for domestic reforestation and certain flower species for export, primarily to the EU. The details are proprietary, as only one company is currently known to be undertaking this business. It is unlikely that Indonesia will be able to multiply transgenic seed or commercialize any transgenic crop in the coming year.

The government of Indonesia is confined field-testing transgenic rice, sugar cane, cassava, and potato. However according to the Government Regulation on Biosafety of Transgenic Products, commercialization of transgenic rice, a GOI priority, is still a distant event. Transgenic rice has been tested in 22 locations throughout Indonesia but must be tested in another 16 locations before receiving a license from The National Seed Agency.

Additional GOI research projects on transgenic plants such as virus resistance for tomatoes and potatoes, delayed ripening for papaya, sweet potato pest resistance, drought tolerant rice, and pest resistant soybeans, are still ongoing, albeit at a relatively modest pace.

Bt corn, Bt Cotton, RR Corn, and RR soybeans have passed the biosafety assessment process. In addition, Ronozyme-P and Finase L and P (as protein enrichment for feed) are reported to be in the pipeline. However these products cannot be released into the market until after a food safety assessment is completed under the direction of a new biosafety committee. At this time, two companies requested approval to import avian influenza vaccines that were produced using biotechnology. The biosafety and food safety technical team is in the first stage of assessing the request.

The United States exported about $700 million of transgenic products to Indonesia in 2006, including Bt cotton, herbicide tolerant soybeans and meal, Bt corn and a variety of food products derived from transgenic crops. Indonesia also imported significant volumes of presumptive transgenic soybeans and meal from other origins. With the exception of certain soybean products, i.e., soy flour, no trade constraint based on transgenic origin has been introduced or enforced. The restrictions on soy flour do not seem to be a major to constraint to current trade.

At present Indonesia is not a receipt of USDA-funded food aid.

## III. Biotechnology Policy

To implement the GOI Regulation on Biosafety of Transgenic Products the President must sign the Government Regulation on Establishing The Committee of Biosafety on Transgenic Products. A committee had been in place since 1999, but became inactive when the Regulation on Biosafety of Transgenic Products was issued in 2005. The new committee will have 15 members from a variety of stakeholders, including government ministries, NGOs, universities, and professional associations. The expected time frame for establishing the committee has been pushed back several times, and is subject to change.

As soon as the new committee is established, it is expected to focus on the Guidelines for Food Safety. In addition, the committee will reportedly revise the regulations for labeling of food packaged for retail sale that contain transgenic products. These guidelines are needed to bring Indonesia into compliance with the Cartagena Protocol on Biosafety.

In 2004 Indonesia ratified the Cartegena Protocol with Government Regulation No. 21/2004 concerning Biosafety to the Convention on Biological Diversity.

At present, there are no imported or locally developed commercial transgenic seed varieties approved for planting in Indonesia. Approvals for planting and full commercialization are hindered because guidelines for food safety assessment have not yet been approved. Nevertheless, research activity at a relatively low level (e.g., second replication of containment trials) continues. Also continuing is GOI research and development at the agricultural institute in Bogor.

Notwithstanding some confusion in the existing Indonesian regulatory framework for biotechnology, the general impact is relatively benign, especially with respect to imports of living modified organisms and processed food products. Indonesia imports hundreds of millions of dollars of transgenic products from the United States annually, significant quantities of which are for direct consumption. This trade is currently not regulated with respect to transgenic content. A government regulation issued in 1999 requiring a label and a special logo to be on packaging of food containing transgenic ingredients have yet to be enforced. Reportedly the government will only require labeling of food products containing more than 5 percent content derived from transgenic processes. Local development, multiplication and use of transgenic seed continue to be hampered by the current regulatory system. This, plus additional confusion in the IPR sector, are major impediments to increased investment in Indonesian biotechnology activities.

Given the current situation, forecasting likely outcomes for the Indonesian biotech sector is problematic. The immediate risk with respect to U.S. agricultural trade interests is that GOI regulatory functions could intrude negatively on trade. This could be especially damaging for the hundreds of millions of dollars of U.S. soybean exports to Indonesia. Certain sections of the GOI are actively pursuing non-tariff barriers to trade to protect Indonesian agriculture producers. Should this approach be applied more general throughout the GOI, transgenic products are potential targets.

## IV. Marketing Issues

To date, Indonesian importers, retailers, and consumers have not expressed serious concerns about importation, sale, or use of transgenic products. For example, Indonesia imports hundreds of millions of dollars annually of soybeans, most with transgenic content. These soybeans are for direct human consumption in the form of tofu and tempe, and there is very little said in the local press or otherwise about the production process bringing this important protein source to Indonesians.

In 2006 there was a survey to determine public acceptance of transgenic products. The survey targeted students at a well-known agriculture university in Indonesia. The research showed that the students lack knowledge of transgenic foods, even if they had a class in biology. The study also found that students are somewhat willing to consume transgenic foods if transgenic products reduce the amount of pesticides applied to crops; are very willing to consume transgenic foods if the foods were more nutritious than non-transgenic foods; will avoid consuming transgenic foods if the foods posed a risk of causing allergic reactions for some people; consider ethical and religious concerns as very important to purchasing decisions; had mixed reactions on the importance of price when making the decision to purchase transgenic foods; feel labeling of transgenic foods should be mandatory even though it will affect the price; and that the government regulation on food safety remains poor.

## V. Capacity Building and Outreach

FAS Jakarta has actively recruited Cochran Fellows and participants for other USDA-sponsored events since 1998. Following is a list detailing participants from Indonesia.

**Cochran Fellowships from Indonesia Related to Biotechnology:**

- GMO Biotech 1998
  2 Cochran Fellows

- Regional Program for Decision Makers and Journalists 2000
  4 Cochran Fellows

- MSU - Food Safety Program 2000
  4 Cochran Fellows

- MSU - Food Safety Program 2001
  3 Cochran Fellows

- Biotechnology Training 2002
  3 Cochran Fellows

- MSU - Food Safety Program 2003
  2 Cochran Fellows

- MSU – Biotechnology Training 2003
  2 Cochran Fellows

- MSU – Biotechnology Training 2004
  1 Cochran Fellow

**Additional Biotechnology "Capacity Building" Events Sponsored by USDA**

- APEC HIGH LEVEL POLICY DIALOGUE ON AGRICULTURAL BIOTECHNOLOGY – MEXICO CITY, MEXICO
  February 24, 2002
  1 Indonesian attendee

- 2ND APEC HIGH LEVEL POLICY DIALOGUE - CHIANG RAI, THAILAND
  February 14-15, 2003
  2 Indonesian attendees

- FARMERS WORKSHOP IN AGRICULTURAL BIOTECHNOLOGY – MANILA, PHILIPPINES

  2-6 December 2003
  1 Indonesian attendee

- 3RD APEC HIGH LEVEL POLICY DIALOG - SANTIAGO, CHILE
  February 29 – March 1, 2004
  3 Indonesian attendees

- APEC BIOTECH INVESTMENT SEMINAR - KUALA LUMPUR, MALAYSIA
  December 7-9, 2004
  2 Indonesian attendees

- 4TH APEC HIGH LEVEL POLICY DIALOGUE - SEOUL, KOREA
  March 1-3, 2005
  2 Indonesian attendees, 1 speaker

- BIOSAFETY POLICY OPTIONS IN APEC – MANILA, THE PHILIPPINES
  January 16-18, 2006
  1 Indonesian attendee, 1 speaker

- 5TH APEC HIGH LEVEL POLICY DIALOGUE – HANOI, VIETNAM
  February 25-27, 2006
  2 Indonesian attendees

- ASEAN – U.S. ROUNDTABLE ON AGRICULTURAL BIOTECHNOLOGY POLICY AND STRATEGY – BANGKOK, THAILAND

  April 4-5, 2006
  5 Indonesian attendees, 2 speakers

- 6th APEC HIGH LEVEL POLICY DIALOGUE – CANBERRA, AUSTRALIA
  January 19 – 21, 2007
  2 Indonesian attendees

- LIABILITY REDRESS ISSUES RELATED TO THE CARTEGENA PROTOCOL ON BIOSAFETY – HANOI, VIETNAM
  September 19 – 21, 2007
  2 Indonesian attendees

- LIABILITY REDRESS ISSUES RELATED TO THE CARTEGENA PROTOCOL ON BIOSAFETY – TOKYO, JAPAN
  February 13 – 14, 2008
  2 Indonesian attendees

- 7th APEC HIGH LEVEL POLICY DIALOGUE – LIMA, PERU
  February 26 – 28, 2008
  2 Indonesian attendees

**Additional Biotechnology "Capacity Building" Events Sponsored by FAS Jakarta**

- 2nd Meeting of the ASEAN Task Force on The Harmonization of Regulations for Agricultural Products Derived from Biotechnology, 2000

- Round Table Discussion with GOI, industries, scientists, NGOs and ASEAN officials, September 21-22, 2000

- ASFARNET Workshop on Biotechnology Promotion and Exchange on Agricultural Technology, November 28 – December 1, 2004

Indonesia has significant capacity to promulgate but limited capability to enforce regulations with respect to food safety and biosafety of transgenic-origin products. GOI regulation of such products is not expected to advance expeditiously.

**APPENDIX A**

There are no transgenic seed products approved for release in Indonesia at this time.